

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 488 - HB 837**

March 24, 2009

**SUMMARY OF BILL:** Requires the Board of Medical Examiners to appoint an independent oversight committee on a case-by-case basis to evaluate disciplinary action taken by a medical peer review committee against any physician. The oversight committee shall be composed of three licensed physicians, one of whom is board certified in the specialty to the area of medicine practiced in the case, and be independent of any parties involved in the dispute. The Department of Health, through the Board, is required to establish and maintain a statewide database containing information pertaining to any adverse action taken by a medical peer review committee against a licensed physician

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The Board of Medical Examiners will incur an increase in recurring expenditures of \$96,200 and one-time expenditures of \$25,100. The Board is required to be self-supporting for a two-year period. In FY06-07, the Board had a negative balance of \$158,400. In FY07-08, the Board had a negative balance of \$176,800. Although the Board had a positive cumulative balance of \$108,300 as of June 30, 2008, it is estimated that the Board will have to increase fees by an amount sufficient to cover the increase in expenditures.**

Assumptions:

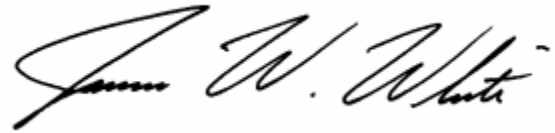
- The Department of Health estimates that 10 matters will be submitted to the newly created oversight committee and that each matter will result in two days of meetings. Each of the three members of the committee will receive \$500 per day resulting in an increase in expenditures of \$30,000 (\$500 x 2 days x 10 matters x 3 members).
- Each member will also receive approximately \$262 in travel and meal reimbursements per matter resulting in an increase in expenditures of \$7,860 (\$262 x 3 x 10).
- The Department also estimates the need for an additional administrative assistant resulting in an increase in recurring expenditures of \$58,299

which includes salary (\$32,910), benefits (\$11,189), administrative cost allocation (\$7,900), communications and networking (\$1,600), office lease (\$4,100), and supplies (\$600). There will also be a one-time increase in expenditures of \$5,100 for a computer and printer (\$2,400) and office set-up (\$2,700).

- The Department estimates a one-time increase in expenditures of \$20,000 for modifications to the current reporting system.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. In FY06-07, the Board had a negative balance of \$158,369.51. In FY07-08, the Board had a negative balance of \$176,769.72. As of June 30, 2008, the Board had a positive cumulative balance of \$108,302.81.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml